

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	542339
<015>	Study Area Name	THE SISKIYOU TEL CO
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Amber Stewart
<035>	Contact Telephone Number: Number of the person identified in data line <030>	5304676154 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	a.stewart@siskiyoutelephone.com
	Form Type	54.313 and 54.422

**(100) Service Quality Improvement Reporting  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	542339
<015>	Study Area Name	THE SISKIYOU TEL CO
<020>	Program Year	2017
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<039>	Contact Email Address - Email Address of person identified in data line <030>	a.stewart@siskiyoutelephone.com

<110>	Has your company received its ETC certification from the FCC? If your answer to Line <110> is yes, do you have an existing \$54.202(a) "5 year plan" filed with the FCC?	(yes / no ) <input checked="" type="radio"/> <input type="radio"/>
<111>		(yes / no ) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

542339\_CA\_112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	Yes
<114>	Report how much universal service (USF) support was received	Yes
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	Not Applicable

## **SISKIYOU TELEPHONE COMPANY**

### **PROGRESS REPORT ON SERVICE QUALITY IMPROVEMENT PLAN**

#### **PREAMBLE**

This document is an integral part of the Company's 2016 Annual Report, as attached to Form 481. It is in compliance with § 54.313(a)(1) adopted in the FCC's USF/ICC Transformation Order (11-161) and incorporates all further clarifications identified in subsequent Reconsideration Orders, as applicable, that were in effect at the time the Annual Report was due by Rule, to the requisite regulatory authorities.

Siskiyou Telephone Company advises that the environment in which the Company operates is dynamic, not static. As a result, certain network targets identified in its initial 5 Year Network Improvement Plan filed in 2014, may be modified in response to regulatory decisions that have been subsequently adopted, and as their implication upon the Company's financial viability in providing the required services and service level quality became known.

Modifications to the network plan may also have been taken due to changes in technology (vendor)-driven support, weather, or other emergency related contingencies.

Targets not met or changed since the initial 5 Year Plan filing are identified and reasons provided for those changes.

#### **UNIVERSAL SERVICE SUPPORT RECEIVED IN 2015**

Per the Universal Service Administrative Company (USAC), as available for the period up to this filing, Siskiyou Telephone Company received a total of \$10,380,314 (as of 4/30/16) in USF funds. The breakdown of the funding to the point of filing is:

-	\$ 6,328,706	High Cost Loop Support
-	\$ 0	Local Switching Support
-	\$ 418,176	Connect America Fund – Intercarrier Compensation Support
-	\$ 3,468,912	Interstate Common Line Support
-	\$ 164,520	Safety Net Additive
Total	\$10,380,314	

Universal Service Support funds are used to: (1) maintain, upgrade, and improve the Company's network and, (2) cover operating expenses and debt commitments as necessary to permit it to offer a high level of service for both voice and broadband within the authorized serving area.

USF support will continue to be included in the Company's current revenue accounts and forward-looking projections. Revenue, in the aggregate, are used for both capital expenditures as well as to cover operating expenses and fixed costs incurred to obtain capital from lenders. The Company does not segregate USF separately for purposes of capital and operating expenditures; USF is expended in the same proportion as its contribution is to the Company's aggregated revenue amount.

In the accompanying 2015 project detail, expenditures for network improvements sometimes involve service quality, coverage and capacity as an integrated improvement project and are not mutually exclusive from one another. In terms of cost, projects involving multiple qualifiers are of equal dollar equivalence. Where a project involves a single qualifier, it is so noted.

## **PROGRESS REPORT**

### **2015**

Starting with 2015, network improvements will be limited to under \$6,000,000 per year. The CPUC wants this in order to keep Siskiyou's rate base from rising too quickly.

All but one 2015 project (Happy Camp Hwy. 96/West to Buckhorn FTTH Project) was finished. The unfinished project will be completed in 2016. We had to hire contractors to complete several fire and storm damage jobs in 2015 that our own crews could not handle. Also several capital expenditures were moved forward into 2015 from their scheduled year of 2016, and these items are noted accordingly.

To sum up, 2015 capital expenditures came in under budget and even closer to the \$6M PUC cap than planned. Maps illustrating the completed projects are attached along with the spreadsheet.

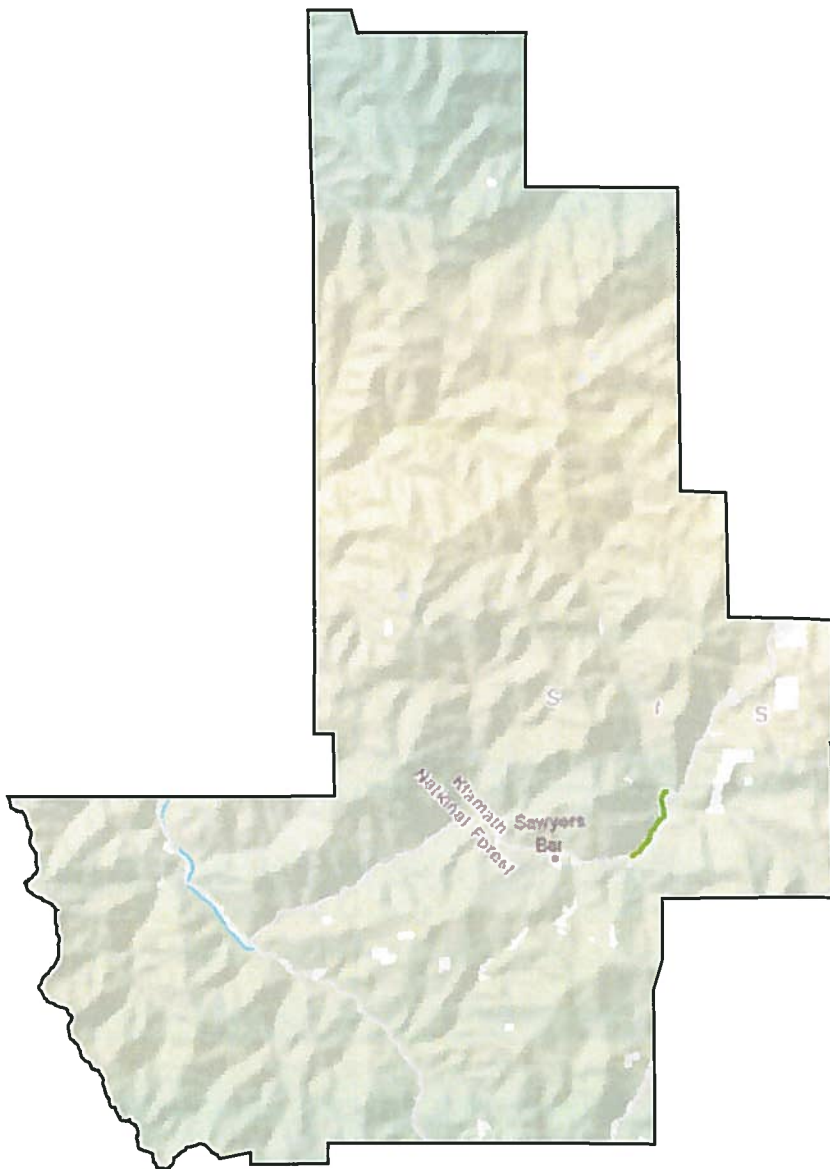
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**NETWORK IMPROVEMENT PROJECTS**  
AS OF 2015 ANNUAL REPORT SUBMISSION - JULY 1, 2016

MAP REF.	WIRE CENTER NAME & CLI	DESCRIPTION OF IMPROVEMENT	PURPOSE	COST ESTIMATE	ACTUAL COST	REGULATED % ALLOCATION	AMOUNT IN USE F+C+E	% VOICE	% BROADBAND	AREA IMPACTED	POPULATION IMPACTED	TARGET COMPLETION DATE	ACTUAL COMPLETION DATE	Notes
	<b>2015</b>													
	ETNA - ETNA4670XNF	New Cab & Chassis for #1 Flatbed Truck	General	\$55,000	\$57,601	100%	\$55,000	50%	50%	2,393 sq miles	8,280	12/31/2015	11/30/2015	
		Add Emissions Package #5 Digger Truck	General	\$20,000	Expensed	100%	\$20,000	50%	50%	2,393 sq miles	8,280	12/31/2015	Expensed	
		Replace Vehicle #11 Installer/Repairman Truck	General	\$52,751	Expensed	100%	\$52,751	50%	50%	2,393 sq miles	8,280	12/31/2015	Expensed	
		Add Emissions Package #15 Water Truck	General	\$25,000	Expensed	100%	\$25,000	50%	50%	2,393 sq miles	8,280	12/31/2015	Expensed	
		Replace Vehicle #20 Engineering Pickup Truck	General	\$50,000	\$46,512	100%	\$50,000	50%	50%	2,393 sq miles	8,280	12/31/2015	11/30/2015	
		Replace Vehicle #21 Splicer Service Truck	General	\$50,000	\$53,521	100%	\$50,000	50%	50%	2,393 sq miles	8,280	12/31/2015	7/31/2015	
		Replace Vehicle #25 Microwave Service Truck	General	\$50,000	\$54,499	100%	\$50,000	50%	50%	2,393 sq miles	8,280	12/31/2015	12/31/2015	
		Replace Vehicle #30 Construction Service Truck	General	\$55,000	\$41,303	100%	\$55,000	50%	50%	2,393 sq miles	8,280	12/31/2015	7/31/2015	
		Splicing Trailer + Fusion Splicer	General	\$30,000	\$38,429	100%	\$30,000	50%	50%	2,393 sq miles	8,280	12/31/2015	3/31/2015	
		Replace 2 Mini Excavators	General	\$80,000	\$76,371	100%	\$80,000	50%	50%	2,393 sq miles	8,280	12/31/2015	9/30/2015	
		Replace Vac Trailer (fluid excavator)	General	\$70,000	\$75,327	100%	\$70,000	50%	50%	2,393 sq miles	8,280	12/31/2015	10/31/2015	
		New Dump Truck & Trailer (from 2016 budget)	General	\$200,000	\$257,181	100%	\$200,000	50%	50%	2,393 sq miles	8,280	12/31/2015	11/30/2015	
		Replace Vehicle #22 (from 2017 budget)	General	\$45,000	\$50,248	100%	\$45,000	50%	50%	2,393 sq miles	8,280	12/31/2015	11/30/2015	
		Replace #8 Office Car (from 2016 budget)	General	\$40,000	\$28,797	100%	\$40,000	50%	50%	2,393 sq miles	8,280	12/31/2015	11/30/2015	
		Replace Ema PCs (3) x (4)	Service Quality & Capacity	\$5,500	\$6,446	100%	\$5,500	50%	50%	2,393 sq miles	8,280	12/31/2015	Various	
		Add 4 Panasonic Toughbooks	Service Quality & Capacity	\$7,000	\$7,490	100%	\$7,000	50%	50%	2,393 sq miles	8,280	12/31/2015	3/31/2015	
		Replace Ema CO Router	Service Quality & Capacity	\$6,000	See 2016	100%	\$6,000	50%	50%	2,393 sq miles	8,280	12/31/2015	See 2016	
		Replace Ema HQ Switch	Service Quality & Capacity	\$16,000	See 2016	100%	\$16,000	50%	50%	2,393 sq miles	8,280	12/31/2015	See 2016	
		Replace Ema I-Series	Service Quality & Capacity	\$70,000	\$40,807	100%	\$70,000	50%	50%	2,393 sq miles	8,280	12/31/2015	12/31/2015	
467		Old Ema FTTH Project	Capacity	\$436,619	\$211,484	100%	\$436,619	50%	50%	1,88 sq miles	319	12/31/2015	12/31/2015	
467		Wagner West FTTH Project	Capacity	\$233,477	\$133,431	100%	\$233,477	50%	50%	0,219 sq miles	208	12/31/2015	12/31/2015	
467		Diagnos, Oak College FTTH Project	Capacity	\$177,115	\$68,969	100%	\$177,115	50%	50%	0,028 sq miles	75	12/31/2015	11/30/2015	
467		Pig Alley, Fredrick St. FTTH Project	Capacity	\$211,400	\$94,721	100%	\$211,400	50%	50%	0,127 sq miles	232	12/31/2015	12/31/2015	
467		Callahan St. & Callahan Way FTTH Project	Capacity	\$244,364	\$83,658	100%	\$244,364	50%	50%	0,171 sq miles	101	12/31/2015	12/31/2015	
		Crew Construction Projects	Service Quality & Capacity	\$800,000	\$992,691	100%	\$800,000	50%	50%	2,393 sq miles	8,280	12/31/2015	Monthly	1
		Central Office FTTH Gear	Capacity	\$185,000	\$307,626	100%	\$185,000	50%	50%	643 sq miles	3,676	12/31/2015	Monthly	2
		Central Office Projects	Service Quality & Capacity	\$200,000	\$181,354	100%	\$200,000	50%	50%	2,393 sq miles	8,280	12/31/2015	Monthly	
	PORT JONES - FTTH486CNF	Replace Fort Jones CO - Switch 1	Service Quality & Capacity	\$14,000	\$13,938	100%	\$14,000	50%	50%	2,393 sq miles	8,280	12/31/2015	12/31/2015	
		Replace Fort Jones CO Router	Service Quality & Capacity	\$25,000	\$20,968	100%	\$25,000	50%	50%	2,393 sq miles	8,280	12/31/2015	9/30/2015	
		Replace Fort Jones ASA-1	Service Quality & Capacity	\$10,000	\$8,387	100%	\$10,000	50%	50%	2,393 sq miles	8,280	12/31/2015	9/30/2015	
		Replace Fort Jones ASA-2	Service Quality & Capacity	\$10,000	\$8,387	100%	\$10,000	50%	50%	2,393 sq miles	8,280	12/31/2015	9/30/2015	
		Replace Fort Jones ASA Switch	Service Quality & Capacity	\$3,500	\$2,936	100%	\$3,500	50%	50%	2,393 sq miles	8,280	12/31/2015	9/30/2015	
		Replace Fort Jones co-w4 - Barry	Service Quality & Capacity	\$2,000	\$931	100%	\$2,000	50%	50%	2,393 sq miles	8,280	12/31/2015	11/30/2015	
		Replace Fort Jones Console	Service Quality & Capacity	\$2,000	\$931	100%	\$2,000	50%	50%	2,393 sq miles	8,280	12/31/2015	11/30/2015	
		Replace Fort Jones MW1	Service Quality & Capacity	\$2,000	See 2016	100%	\$2,000	50%	50%	2,393 sq miles	8,280	12/31/2015	See 2016	
		Replace Fort Jones IBM I-Series	Service Quality & Capacity	\$70,000	\$40,807	100%	\$70,000	50%	50%	2,393 sq miles	8,280	12/31/2015	12/31/2015	
	HAMBURG - HMBG486CNF	Storm Damage Repair	Service Quality & Capacity	\$25,000	\$25,064	100%	\$25,000	50%	50%	2,393 sq miles	8,280	12/31/2015	4/30/2015	
		Replace Hamburg CO Router	Service Quality & Capacity	\$6,000	See 2016	100%	\$6,000	50%	50%	2,393 sq miles	8,280	12/31/2015	See 2016	
		Replace Seald Hut Router	Service Quality & Capacity	\$6,000	See 2016	100%	\$6,000	50%	50%	2,393 sq miles	8,280	12/31/2015	See 2016	
	HAPPY CAMP - HCWP486CNF	Replace Happy Camp SO Router	Service Quality & Capacity	\$6,000	See 2016	100%	\$6,000	50%	50%	2,393 sq miles	8,280	12/31/2015	See 2016	
493		Woods Bar DLC FTTH Project	Capacity	\$495,390	\$754,168	100%	\$495,390	50%	50%	0,343 sq miles	20	12/31/2015	12/31/2015	
493		Hwy. 96 West to Buckhorn FTTH Project	Capacity	\$131,456	Unfinished	100%	\$131,456	50%	50%	0,057 sq miles	100	12/31/2015	N/A	
493		2nd Ave. to Davis Road FTTH Project	Capacity	\$451,926	\$257,470	100%	\$451,926	50%	50%	0,30 sq miles	116	12/31/2015	12/31/2015	
493		Airport/Duway/2nd Avenue	Capacity	\$538,593	\$255,850	100%	\$538,593	50%	50%	0,02 sq miles	25	12/31/2015	11/30/2015	
		Central Office FTTH Gear	Capacity	\$100,000	\$135,423	100%	\$100,000	50%	50%	2,393 sq miles	8,280	12/31/2015	Still Open	
	OAK KNOLL - OKNL486CNF	Replace Oak Knoll SO Router	Service Quality & Capacity	\$6,000	See 2016	100%	\$6,000	50%	50%	2,393 sq miles	8,280	12/31/2015	See 2016	
462	SAWYERS BAR - SWBR486CNF	Whites Gulch to Finley Camp	Capacity	\$671,784	\$1,228,135	100%	\$671,784	50%	50%	113.066 sq miles	23	12/31/2015	11/30/2015	
		Replace Sawyers Bar CO Router	Service Quality & Capacity	\$6,000	See 2016	100%	\$6,000	50%	50%	2,393 sq miles	8,280	12/31/2015	See 2016	
	SOMES BAR - SMBR486CNF	Hwy. 96 Repair Jobs in Somes Bar Exchange	Service Quality & Capacity	\$270,000	\$273,361	100%	\$270,000	50%	50%	2,393 sq miles	8,280	12/31/2015	12/31/2015	
		Replace Somes Bar CO Router	Service Quality & Capacity	\$6,000	See 2016	100%	\$6,000	50%	50%	2,393 sq miles	8,280	12/31/2015	See 2016	

NOTES 2015 TOTAL PROJECTS \$6,271,124 \$6,088,225 \$6,271,124

- 1 Crew Construction Projects is the long term historical average of minor construction projects (such as new drops or minor route extensions) built by Skakyou's construction crew.
- 2 Central Office Projects is a company-wide contingency for unexpected central office capital outlays.



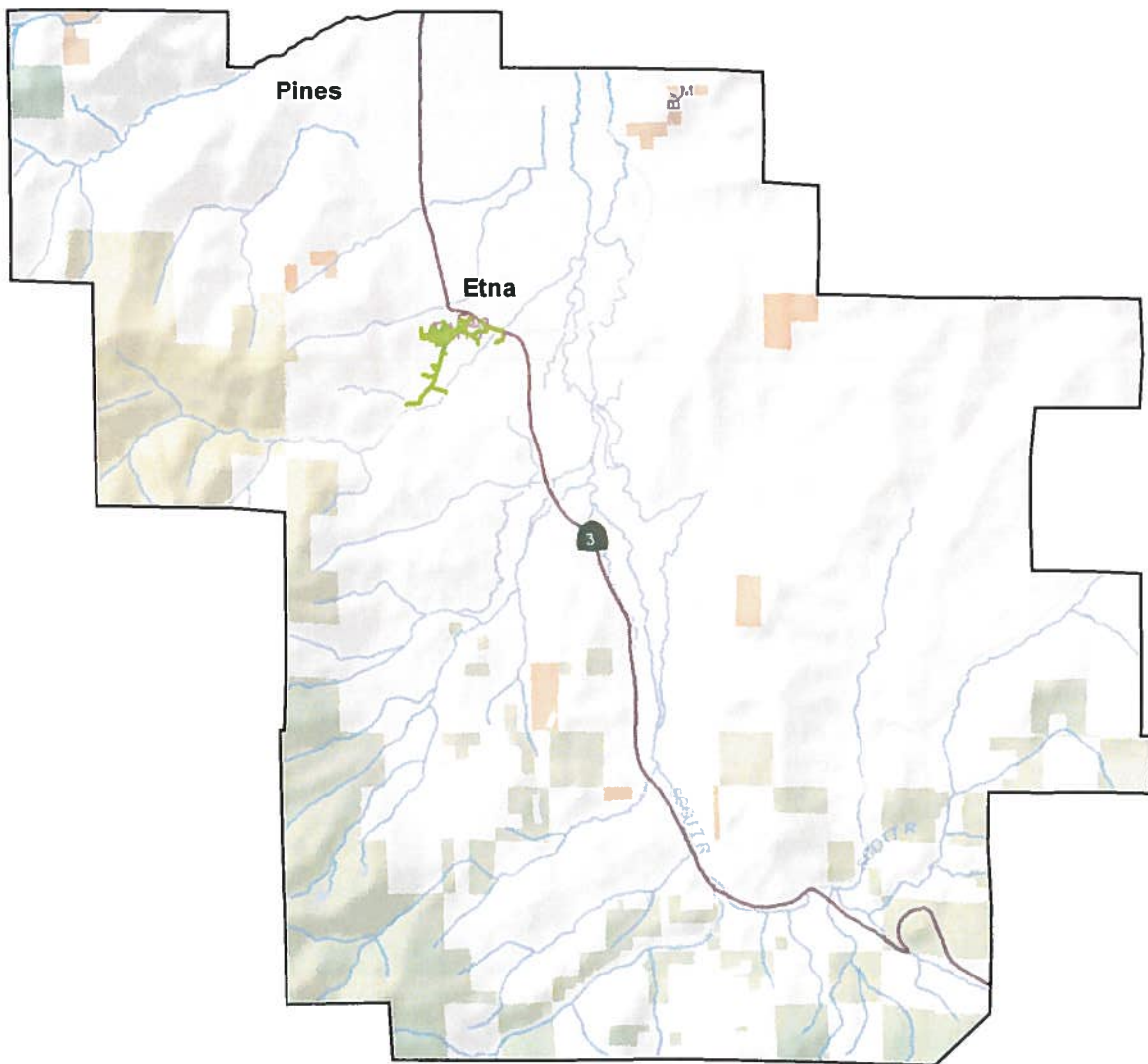
0 4.25 8.5 17 Miles



# Siskiyou Telephone 462 - Sawyers Bar July 2016

## Legend

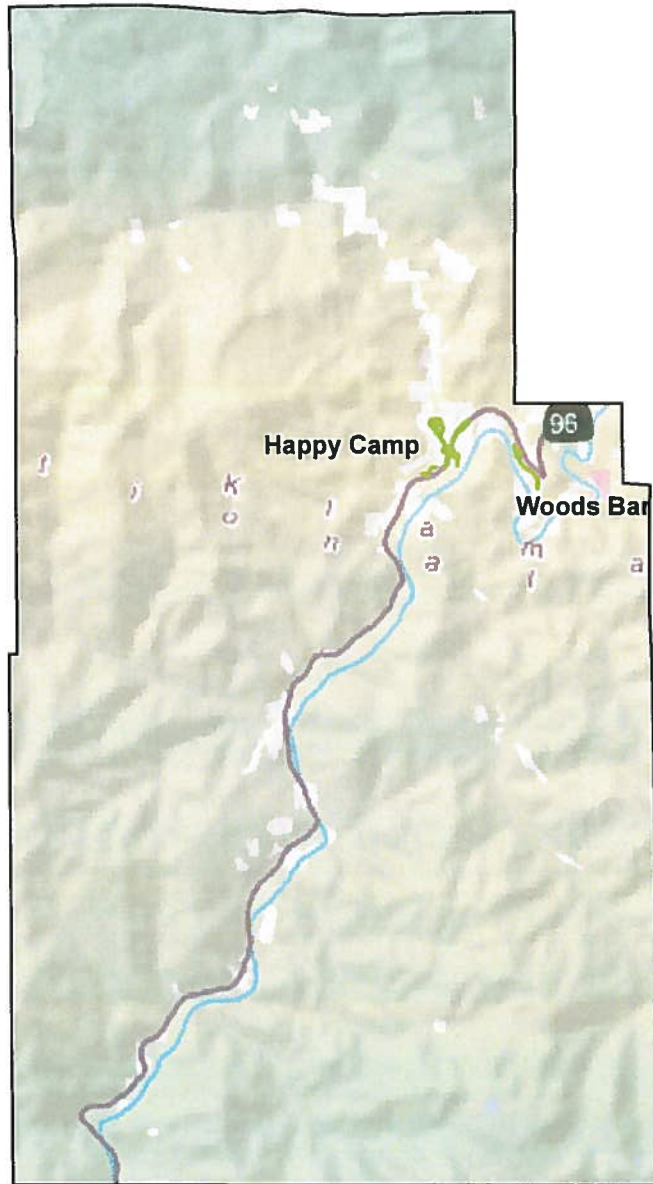
 Completed



### Legend

— Completed

Siskiyou Telephone  
467 - Etna  
July 2016



0 3 6 12 Miles



# Siskiyou Telephone 493 - Happy Camp

July 2016

## Legend

— Completed



<015> Study Area Name |

<020>	Program Year

<030>	Contact Name

<035>	Contact Telephone Number - Number of person identified in data

Contact Email Address - Email Address of person identified in data line <030>	a.stewart@siskini
<039>	

**<210> For the prior calendar year, were there any reportable voice service outages?**

tags?

tags?

[illegible]

(300) Unfulfilled Service Request  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code	542319
<015> Study Area Name	THE SISKIYOU TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Amber Stewart
<035> Contact Telephone Number - Number of person identified in data line <030>	5304676154 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	a.stewart@siskiyoutelephone.com
<300> Unfulfilled service request (voice)	<div>0</div>
<310> Detail on attempts (voice)	<div>Name of Attached Document</div>
<320> Unfulfilled service request (broadband)	<div>0</div>
<330> Detail on attempts (broadband)	<div>Name of Attached Document</div>

(400) Number of Complaints per 1,000 customers  
Data Collection Form

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July 2013

<010>	Study Area Code	542339
<015>	Study Area Name	THE SISKIYOU TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Amber Stewart
<035>	Contact Telephone Number - Number of person identified in data line <030>	5304676154 ext
<039>	Contact Email Address - Email Address of person identified in data line <030>	a.stewart@siskiyoutelephone.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

(500) Compliance With Service Quality Standards and Consumer Protection Rules  
Data Collection Form

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<015>	Study Area Name	THE SISKIYOU TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Amber Stewart
<035>	Contact Telephone Number - Number of person identified in data line <030>	5104676154 ext
<039>	Contact Email Address - Email Address of person identified in data line <030>	a.stewart@siskiyoutelephone.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	542339_CA_510.pdf



*A Tradition of Excellence Since 1896*

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30 Telco Way • P.O. Box 157 • Etna, CA 96027-0157  
Phone (530) 467-6000 • Fax (530) 467-6401

### Consumer Protection

#### Voice & Broadband

Siskiyou Telephone Company complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

### Service Quality Standards

#### Voice

Siskiyou Telephone Company complies with the service standards of the State of California as promulgated in California Public Utilities Commission General Order 133-C (Rules Governing Telecommunications Services – Service Quality), California Public Utilities Commission General Order 168 (Market Rules to Empower Consumers and to Prevent Fraud – Consumer Protection), and related orders of the California Public Utilities Commission.

#### Broadband

Siskiyou Telephone Company follows the service standards noted in NECA Tariff #5 and is committed to provide the highest quality service to its broadband customers.

<b>(600) Functionality in Emergency Situations</b>		FCC Form 481
<b>Data Collection Form</b>		OMB Control No. 3060-0986/OMB Control No. 3060-0819
		July 2013

<010>	Study Area Code	542339
<015>	Study Area Name	THE EIGHTH TEL CO
<020>	Program Year	2012
<030>	Contact Name - Person USAC should contact regarding this data	Amber Stewart
<035>	Contact Telephone Number - Number of person identified in data line <030>	5304676154 EXT.
<039>	Contact Email Address - Email Address of person identified in data line <030>	a.stewart@elekiyoutelephone.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	542339_CA_610.pdf



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30 Telco Way • P.O. Box 157 • Etna, CA 96027-0157  
Phone (530) 467-6000 • Fax (530) 467-6401

#### **54.313(a)(6) Ability to Remain Functional in Emergency Situations**

##### **Back-up Power**

Siskiyou Telephone Company has the following back-up power capabilities:

Headquarters      Gen.300 kw   Diesel      1000 Gal.      UPS   30 min.

##### Switches – stand alone

Etna	Gen.35 kw	Propane	577 Gal.	Batt.	1220 AH
Fort Jones	Gen.180 kw	Diesel	1000 Gal.	Batt.	2110 AH
Hamburg	Gen.20 kw	Propane	495 Gal.	Batt.	1220 AH
Happy Camp	Gen.35 kw	Propane	990 Gal.	Batt.	1220 AH
Oak Knoll	Gen.20 kw	Propane	500 Gal.	Batt.	1220 AH
Sawyers Bar	Gen.12 kw	Propane	500 Gal.	Batt.	440 AH
Somes Bar	Gen.20 kw	Propane	994 Gal.	Batt.	1220 AH

Remote Central Offices – NONE.

##### Subscriber Carrier Nodes

##### **462 – Sawyers Bar Exchange**

Cecilville			Batt. 200AH	Pwr.Pr.
China Gulch			Batt. 38 AH	Pwr.Pr.
Crapo Creek			Batt. 38 AH	Pwr.Pr.
Cronan Gulch			Batt. 38 AH	Pwr.Pr.
Dave Meyer Hill	Gen.12 kw	Propane	Batt. 680 AH	Solar
Eddy Gulch			Batt. 100 AH	Solar
Forks of Salmon	Gen 7.5 kw	Propane	Batt. 750 AH	Pwr.Pr./Solar
Missouri Bar			Batt. 38 AH	Pwr.Pr.
Rush Creek			Batt. 411 AH	Solar
Taylor Creek	Gen.4.5 kw	Gasoline	Batt. 411 AH	Solar

##### **465 – Oak Knoll Exchange**

Dona Creek			Batt. 38 AH	Pwr.Pr.
Dutch Creek			Batt. 38 AH	Pwr.Pr.
Fisher			Batt. 38 AH	Pwr.Pr.
McKinney Creek			Batt. 38 AH	Pwr.Pr.

Subscriber Carrier Nodes – (Continued)

467 – Etna Exchange

Black Bridge				Batt. 38 AH	Pwr.Pr.
Callahan	Fuel Cell	Hydrogen	6 Cyl.	Batt 344 AH	
Dredger Camp				Batt. 38 AH	Pwr.Pr.
Fay Lane				Batt 38 AH	Pwr.Pr.
Forest Lane				Batt 38 AH	Pwr.Pr.
French Creek	Fuel Cell	Hydrogen	6 Cyl.	Batt 100 AH	
JH Ranch				Batt 38 AH	Pwr.Pr.
Masterson				Batt 38 AH	Pwr.Pr.
Pines	Fuel Cell	Hydrogen	6 Cyl.	Batt 344 AH	
S. Kidder Creek				Batt 38 AH	Pwr.Pr.
Young's Dam				Batt 38 AH	Pwr.Pr.

468 – Ft. Jones Exchange

Airport				Batt 38 AH	Pwr.Pr.
Boulder Creek				Batt 38 AH	Pwr.Pr.
Chaparral				Batt. 38 AH	Pwr.Pr.
Charity Mission				Batt. 38 AH	Pwr.Pr.
Deadwood				Batt. 38 AH	Pwr.Pr.
Duzel				Batt. 38 AH	Pwr.Pr.
Greenview	Generator	Propane	172 Gal.	Batt 344 AH	
Hungry Hollow				Batt. 38 AH	Pwr.Pr.
Hurd's Gulch				Batt. 38 AH	Pwr.Pr.
Indian Creek				Batt. 38 AH	Pwr.Pr.
McAdams Creek				Batt. 38 AH	Pwr.Pr.
Meamber	Generator	Propane	250 Gal.	Batt 344 AH	
Meamber Creek				Batt. 38 AH	Pwr.Pr.
Mugginsville				Batt. 38 AH	Pwr.Pr.
N. Kidder Creek				Batt. 38 AH	Pwr.Pr.
Oro Fino				Batt. 38 AH	Pwr.Pr.
Rattlesnake				Batt. 38 AH	Pwr.Pr.
Rickey Lane				Batt. 38 AH	Pwr.Pr.
Tyler Gulch				Batt. 38 AH	Pwr.Pr.
W. Moffett Creek				Batt. 38 AH	Pwr.Pr.

469 – Somes Bar Exchange

Bark Shanty				Batt. 38 AH	Pwr.Pr.
Marble Mt. Ranch				Batt. 38 AH	Pwr.Pr.
Oak Bottom				Batt. 38 AH	Pwr.Pr.
Teneyke				Batt. 38 AH	Pwr.Pr.
TiBar				Batt. 38 AH	Pwr.Pr.



### Subscriber Carrier Nodes – (Continued)

#### 493 – Happy Camp Exchange

Benjamin Creek	Batt. 38 AH	Pwr.Pr.
Clear Creek	Batt. 100 AH	Pwr.Pr.
Dolittle	Batt. 38 AH	Pwr.Pr.
Indian Creek	Batt. 38 AH	Pwr.Pr.
Woods Bar	Batt. 38 AH	Pwr.Pr.

#### 496 – Hamburg Exchange

Fort Goff	Batt. 38 AH	Pwr.Pr.
Horse Creek	Batt. 38 AH	Pwr.Pr.
Scott Bar	Batt. 38 AH	Pwr.Pr.
Seiad	Generator	Propane 288 Gal.
Seiad Creek	Batt. 300 AH	
Sunny Slope	Batt. 38 AH	Pwr.Pr.
Thompson Creek	Batt. 38 AH	Pwr.Pr.
W. Horse Creek	Batt. 38 AH	Pwr.Pr.

### Network Interface Devices (NIDs)

Siskiyou Telephone Company has 3,705 access lines with metallic (copper) connections to the Central Office, and their NIDs are powered from the Central Office. Most Siskiyou Telephone Company customers with fiber optic access lines also have a metallic (copper) connection to the central office, and their NIDs are powered by the copper connection from protected power supplied by either the central office or a subscriber carrier node. Only six of Siskiyou Telephone Company's NIDs are battery powered in case of emergency at this time.

### Ability to Reroute Traffic Around Damaged Facilities:

#### A. Toll Trunking to the AT&T Access Tandem in Redding

Siskiyou Telephone Company has two routes from its Fort Jones tandem to the AT&T Tandem in Redding. One is a fiber optic route between Fort Jones and Redding. The other route is a microwave route between Fort Jones and Redding.

#### B. 911-Trunks to the AT&T Selective Router in Redding

Siskiyou Telephone Company has two 911 trunks from each of its 7 exchanges to its Fort Jones tandem, and from there the trunks follow separate paths to the AT&T selective router in Redding. One path is Siskiyou's microwave route to Redding, and the other path is Siskiyou's fiber route to Redding. The AT&T exchanges in Siskiyou County also use Siskiyou's microwave route to Redding as their 911 backup route.

Ability to Reroute Traffic Around Damaged Facilities: - (Continued)

C. Internet Traffic to the Internet Backbone

Siskiyou Telephone Company has two diverse paths to the internet backbone from its meet point in Yreka, CA. One path goes north to Klamath Falls, Oregon, and the other path goes south to Stockton, CA.

D. Inter-Office Trunking Within Siskiyou Telephone Company's Exchange Area

The following projects have been completed or planned to provide diverse routing between Siskiyou Telephone's tandem switch in Fort Jones and its subsidiary switches in our other 6 exchanges: (Please also see Attachment A Drawing.)

1. Fort Jones to Hamburg  
Siskiyou Telephone completed the last segment of a fiber route between Fort Jones and Hamburg in 2013. This allows traffic to be split between the new fiber route and the existing microwave route.
2. Fort Jones to Happy Camp  
Siskiyou completed the last segment of a fiber route between Fort Jones and Happy Camp in 2014. This allows traffic to be split between the new fiber route and the existing microwave route.
3. Fort Jones to Oak Knoll  
Siskiyou has plans to build the last segment of a fiber route between Fort Jones and Oak Knoll in 2021. This will allow traffic to be split between the new fiber route and the existing microwave route.
4. Fort Jones to Sawyers Bar  
Siskiyou has plans to eventually build the last segment of a fiber route between Fort Jones and Sawyers Bar. This will allow traffic to be split between the new fiber route and the existing microwave route.
5. Fort Jones to Somes Bar  
Siskiyou has plans to build the last segment of a fiber route between Fort Jones and Sawyers Bar but these plans have been postponed indefinitely due to the FTTH projects. If built, this will allow traffic to be split between the new fiber route and the existing microwave route.

Ability to Reroute Traffic Around Damaged Facilities: - (Continued)

To complete a true fiber optic ring and provide the ultimate in reliability, it will be necessary to construct two more fiber segments:

- 6./7. Oak Knoll to Yreka
- 8. Sawyers Bar to Somes Bar.

Capability to Manage Traffic Spikes Resulting From Emergency Situations

Siskiyou Telephone Company has 3,705 access lines, tandem switching capacity of 2,688 simultaneous outgoing/incoming calls, and transport capacity for 649 simultaneous toll calls. Siskiyou Telephone Company takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.



<010>	Study Area Code
-------	-----------------

<015>	Study Area Name	THE SISKIYOU TEL CO
-------	-----------------	---------------------

<020>	Program Year	2017
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Amber Stewart
<030> Contact Name - Person USAC should contact regarding this data

<035> Contact Telephone Number - Number of person identified in data line <030>

<039> Contact Email Address - Email Address of person identified in data line <030> a.stewart@siskiyoutelephone.com

[illegible]



**(900) Tribal Lands Reporting  
Data Collection Form**FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	542339
<015>	Study Area Name	THE SISKIYOU TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Amber Stewart
<035>	Contact Telephone Number - Number of person identified in data line <030>	5304676154 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	a.stewart@siskiyoutelephone.com

&lt;900&gt; Does the filing entity offer tribal land services? (Y/N)

Yes

&lt;910&gt; Tribal Land(s) on which ETC Serves

Karuk Tribe of California  
Quartz Valley Indian Reservation

&lt;920&gt; Tribal Government Engagement Obligation

542339\_CA\_920.pdf

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning.
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable
Yes
Yes
Not Applicable
Yes
Yes
Yes
Yes
Yes
Not Applicable



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**2015 "Tribal Engagement" History, to address FCC 54.313(a)(9)**

**Prepared by:** Michael C. Bray, CTO, Siskiyou Telephone

**Date:** 2.23.2015

FCC 54.313

SOURCE: <http://www.hallikainen.com/FccRules/2014/54/313/>

Revised as of October 1, 2014

(9) Beginning July 1, 2013. To the extent the recipient serves Tribal lands, documents or information demonstrating that the ETC had discussions with Tribal governments that, at a minimum, included:

(i) A needs assessment and deployment planning with a focus on Tribal community anchor institutions;

(ii) Feasibility and sustainability planning;

(iii) Marketing services in a culturally sensitive manner;

(iv) Rights of way processes, land use permitting, facilities siting, environmental and cultural preservation review processes; and

(v) Compliance with Tribal business and licensing requirements. Tribal business and licensing requirements include business practice licenses that Tribal and non-Tribal business entities, whether located on or off Tribal lands, must obtain upon application to the relevant Tribal government office or division to conduct any business or trade, or deliver any goods or services to the Tribes, Tribal members, or Tribal lands. These include certificates of public convenience and necessity, Tribal business licenses, master licenses, and other related forms of Tribal government licensure





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## **CONTENTS**

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## CONTACT INFORMATION

### Siskiyou Telephone Designated Contacts

Michael C. Bray, CTO  
Siskiyou Telephone / Sisqtel.net  
PO Box 157; 30 Telco Way, Etna, CA 96027  
530.467.6133  
Fax: 530.467.6401  
[www.linkedin.com/in/michaelcbray](http://www.linkedin.com/in/michaelcbray)  
[m.bray@siskiyoutelephone.com](mailto:m.bray@siskiyoutelephone.com)

Jim Lowers, President  
Siskiyou Telephone  
530.467.6171

### Tribal Contacts

Karuk Tribe  
[www.karuk.us](http://www.karuk.us)

Eric Cutright  
IT Director  
Karuk Tribe  
530-493-1600 x2049  
530-598-8006 cell

Julie A. Burcell, RPA  
Karuk Tribe People's Center  
(530) 493-1600, x. 2202

Quartz Valley Indian Reservation  
[www.qvir.com](http://www.qvir.com)

Audrey Gugel  
Tribal Administrator, QVIR  
Email: [audrey.gugel@qvir-nsn.gov](mailto:audrey.gugel@qvir-nsn.gov)  
Main Office: (530) 468-5907 Ext. 313  
Fax : (530) 468-5908

Brenda Masters  
Receptionist / Administrative Assistant  
Quartz Valley Indian Reservation  
[Brenda.Masters@qvir-nsn.gov](mailto:Brenda.Masters@qvir-nsn.gov)  
530-468-5907 Office Ext. 301  
530-468-5908 Fax

Jason Robertson  
IT Department  
Quartz Valley Indian Reservation  
[jason.robertson@qvir-nsn.gov](mailto:jason.robertson@qvir-nsn.gov)  
468-4470 x315



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## CHRONOLOGY

January 2015	Michael Bray, Siskiyou Telephone, January 14: E-Mail correspondence with Eric Cutright, Karuk Tribe, regarding providing Orleans Elementary School with broadband.
February 2015	
March 2015	Carl Eastlick, Siskiyou Telephone: Mar 31st 2015 I attended a meeting on Gordon Ferry Road concerning a site near the Klamath River that was an area of concern for the Karuk Tribe. Those present for this meeting were Zachariah Rodriguez, USFS Archeologist, Alex R Watts-Tobin, PHD. THPO Archeologist, Karuk Tribe Natural Resource Dept, and Leaf Hillman, Karuk Tribe Natural Resource Dept. The discussion was to define the area of concern and mitigate access to the existing lines we are trying to replace in our Fiber to The Home work in Happy Camp.
April 2015	Michael Bray, Siskiyou Telephone, April 1: E-mail correspondence with Eric Cutright, Karuk Tribe, regarding telephone service disconnects.  Michael Bray, Siskiyou Telephone, April 3: E-mail correspondence with Eric Cutright, regarding follow-up to telephone and broadband service disconnect requests.  Michael Bray, Siskiyou Telephone, April 14 & 27: E-mail correspondence with Eric Cutright, Karuk Tribe, regarding broadband services quote for WISP (Wireless Internet Service Provider) in Orleans.
May 2015	Michael Bray, Siskiyou Telephone, May 1 & 4: E-mail correspondence with Eric Cutright, Karuk Tribe, regarding IP addresses for WISP in Orleans.
June 2015	Carl Eastlick, Siskiyou Telephone: June 19th 2015 I received a call from Eric Cutright, Karuk Technology Director, informing me that they plan to make the connection with us on Ishi Pishi Road in about two weeks. This was a voice message and he would call back and confirm the actual date and time to trench and place their conduit into our Hand Hole box located at the end of our exchange in Some Bar.



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July 2015	
August 2015	Michael Bray, Siskiyou Telephone Quote for Internet Access Services, Orleans Broadband Project
September 2015	
October 2015	Karuk Tribe, 10/22 Letter for support for Siskiyou  Jim Lowers, Siskiyou Telephone, 10/23 Letter to Karuk Tribal Council
November 2015	
December 2015	

---

**Karuk Community Health Clinic**

64236 Second Avenue  
Post Office Box 316  
Happy Camp, CA 96039  
Phone: (530) 493-5257  
Fax: (530) 493-5270

**Karuk Tribe****Administrative Office**

Phone: (530) 493-1600 • Fax: (530) 493-5322  
64236 Second Avenue • Post Office Box 1016 • Happy Camp, CA 96039

**Karuk Dental Clinic**

64236 Second Avenue  
Post Office Box 1016  
Happy Camp, CA 96039  
Phone: (530) 493-2201  
Fax: (530) 493-5364

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October 22, 2015

CASF Grant Evaluation Staff  
Communications Division  
California PUC  
505 Van Ness Avenue  
San Francisco, CA 94102

Dear CASF Grant Evaluation Staff:

The Karuk Tribe endorses Siskiyou Telephone Company's CASF application to bridge the 20 mile service gap along highway 96 between Happy Camp and Somes Bar. The Karuk Tribe maintains offices in Happy Camp and Somes Bar, and if funded, Siskiyou Telephone's fiber optic landline will greatly improve and expand the services available to the tribe's Somes Bar Work Center.

The Karuk Tribe recently launched our Áan Chúuphan internet services in Orleans California. Áan Chúuphan is the only high-speed internet provider for the community of Orleans. Áan Chúuphan's upstream bandwidth is purchased exclusively from Siskiyou Telephone Company, and is connected to Siskiyou Telephone's Somes Bar Central Office. Áan Chúuphan's bandwidth needs have filled to capacity the current microwave system that supplies service to Somes Bar. By funding Siskiyou Telephone Company's CASF application, the CPUC will enable the growth and expansion of Áan Chúuphan internet services in Orleans.

In October of 2013, the CPUC funded the Klamath River Rural Broadband Initiative (KRRBI) CASF project, submitted by the Karuk Tribe in partnership with the Yurok Tribe. KRRBI is currently in the environmental stages, and plans to complete the fiber optic run from McKinleyville to Somes Bar. If Siskiyou Telephone Company's CASF application is funded, a true east-west fiber path would exist in the North State between Eureka and Yreka, which would be the first such path north of Red Bluff and highway 36.

Siskiyou Telephone Company is a vital communications resource for our region, and their CASF project would improve broadband service to some of the most remote parts of the state. The Karuk Tribe asks the Commission to consider these items when reviewing Siskiyou Telephone's application, and to fund the project that will strengthen infrastructure in far northern California.

Sincerely,

Russell Attebery, Chairman  
Karuk Tribe



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Phone (530) 467-6000 • Fax (530) 467-6401

10-23-15

Karuk Tribal Council  
P.O. Box 1016  
Happy Camp, CA 96039

Dear Tribal Council Members:

Thank you for considering a letter of support for our grant application which will connect Happy Camp to Somes Bar via fiber optic facilities. We believe that this project will be in the best long term interests of both Siskiyou Telephone and the Karuk Tribe since it will carry huge amounts of bandwidth to Somes Bar, and then on to Orleans via the Tribe's new fiber facility.

We understand your concern about the cultural sensitivity of the geographic "corridor" through which the fiber route will pass. As we explained to Eric Cutright, we plan to use hard-rock directional boring to build this route, which will allow us to disturb nothing outside of the CalTrans right-of-way. It is strictly routine procedure for us to follow the entire CEQA rulebook when we build routes along CalTrans highways, and we will do so again in this case.

We have contracted with CH2MHill to perform the Proponent's Environmental Assessment (PEA) for the project, and the California PUC's Power Division will be the CEQA agent for the project. As you know, CEQA procedures also involve obtaining SHPO's approval of the project, and if Cultural Inspectors are required for this project, they will certainly be employed. You have my word on this.

Carl Eastlick is our Engineer in Charge for this project, and Eric Cutright knows Carl fairly well and how to contact him. Michael Bray is our overall Tribal Relations coordinator, and he can be contacted at any time. Naturally I am also available to help if you require immediate assistance at the highest level.

Our general contact number is 530-467-6000 here at the Etna headquarters building. Our customer service representatives can track down anybody you need very quickly. For your information, construction is not scheduled to begin on the project until the

spring of 2017, and it is scheduled to be completed by year-end 2018. This means there is plenty of time to be sure any future concerns that may arise get addressed before work begins.

Thank you once again for your support.

Sincerely,

James Lowers  
President  
Siskiyou Telephone Company\

530-467-6171  
[jtlowers@sisgtel.net](mailto:jtlowers@sisgtel.net)

**Correspondence with Quartz Valley Indian Reservation by Tim Edwards.**

**1/29/2015**

I was contacted by Penny Aguilar-Garcia at QVIR and she was requesting information on their NEC phone system. I emailed her a link explaining what she needed to do and also sent her the software manual for their NEC phone system.

**5/5/2015**

Provided a quote for some phones and wiring work. We later installed the phones and did the wiring. This correspondence was with Brenda Masters.

**10/28/2015**

Talked to Jason Robertson and they needed a couple more phones which he picked up at our Etna office.

**12/29/2015**

I talked to Penny Aguilar-Garcia and she had a question regarding their NEC phone system. I did some research and emailed her a procedure to solve their problem.



**(1000) Voice and Broadband Service Rate Comparability  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	542339
<015>	Study Area Name	THE STISKIYOU TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Amber Stewart
<035>	Contact Telephone Number - Number of person identified in data line <030>	5304676154 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	a.stewart@iskiyoutelephone.com

<1000> Voice services rate comparability certification

Yes

<1010> Attach detailed description for voice services rate comparability compliance

Name of Attached Document

<1020> Broadband comparability certification

No

<1030> Attach detailed description for broadband comparability compliance

Name of Attached Document

**(1100) No Terrestrial Backhaul Reporting  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	542339
<015>	Study Area Name	THE SISKIYOU TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Amber Stewart
<035>	Contact Telephone Number - Number of person identified in data line <030>	5304676154 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	a.stewart@siskiyoutelephone.com

<1100>      Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130>      Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

**(1200) Terms and Condition for Lifeline Customers**  
**Lifeline**  
**Data Collection Form**

FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	542339
<015>	Study Area Name	THE SISKIYOU TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Amber Stewart
<035>	Contact Telephone Number - Number of person identified in data line <030>	5304676154 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	a.stewart@siskiyoutelephone.com

542339_CA_1210.pdf
--------------------

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒



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FCC Form 481, Line 1210

Please follow the link listed below for Siskiyou Telephone's Universal Lifeline Telephone Service Tariff, which lists the terms and conditions.

<http://www.sisqtel.net/services/telesvcinfo>

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. Thus, lifeline subscribers have an unlimited number of local calling minutes. As for toll, lifeline subscribers, similar to every Siskiyou subscriber, are free to choose their own toll usage plans through IXC's that serve Siskiyou.

**(2000) Price Cap Carrier Additional Documentation****Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

&lt;010&gt; Study Area Code

542339

&lt;015&gt; Study Area Name

THE SISKIYOU TEL CO

&lt;020&gt; Program Year

2017

&lt;030&gt; Contact Name - Person USAC should contact regarding this data

Amber Stewart

&lt;035&gt; Contact Telephone Number - Number of person identified in data line &lt;030&gt;

5304676154 ext.

&lt;039&gt; Contact Email Address - Email Address of person identified in data line &lt;030&gt;

a.stewart@siskiyoutelephone.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b), (c), (d), (e). The information reported on this form and in the documents attached below is accurate.

**Incremental Connect America Phase I reporting**

&lt;2010&gt; 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1

2016 certification, this applies to Round 2 recipients of Incremental

Support

&lt;2011&gt; 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1

2016 certification, this applies to Round 1 recipients of Incremental

Support

<2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.

<2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.

&lt;2024A&gt; Round 2 Recipient of Incremental Support?

<2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(iii). Round 2 recipients only.

Name of Attached Document Listing  
Required Information

&lt;2025A&gt; Round 1 or Round 2 Recipient of Incremental Support?

<2025B> Attach geocoded Information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund, WC Docket 10-90, Report and Order, FCC 13-

Name of Attached Document Listing  
Required Information

&lt;2015&gt; 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

## (2000) Price Cap Carrier Additional Documentation (Continued)

## Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

&lt;2016&gt; Certification support used to build broadband

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

&lt;2017A&gt; Connect America Fund Phase II recipient?

&lt;2017B&gt; Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

cap carrier used for capital expenditures in 2015.

&lt;2018&gt; Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

&lt;2019&gt; Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

&lt;2020&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

&lt;2021&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

&lt;2026&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

&lt;2027&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

Name of Attached Document Listing  
Required InformationName of Attached Document Listing  
Required Information

(3005) Rate Of Return Carrier Additional Documentation  
Data Collection FormFCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	542339
<015>	Study Area Name	THE SISKIYOU TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Amber Stewart
<035>	Contact Telephone Number - Number of person identified in data line <030>	5304676154 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	a.stewart@siskiyoutelephone.com

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)	Yes - Attach Certification	
(3010A)	Milestone Certification (47 CFR § 54.313(f)(1)(i))	542339_CA_3010.pdf	
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3012A)	Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii))	No - No New Community Anchors	
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3013)	Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
(3014)	If yes, does your company file the RUS annual report	(Yes/No)	<input type="radio"/> <input checked="" type="radio"/>
Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:			
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input checked="" type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.		<input checked="" type="checkbox"/>
If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	542339_CA_3026.pdf

## (3005) Rate Of Return Carrier Additional Documentation (Continued)

## Data Collection Form

FCC Form 481  
OMB Control No. 3060-0956/OMB Control No. 3060-0819  
July 2013

<01>	Study Area Code	542339
<015>	Study Area Name	THE SISKIYOU TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Amber Stewart
<035>	Contact Telephone Number - Number of person identified in data line <030>	5304676154 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	a.stewart@siskiyoutelephone.com

## Financial Data Summary

(3027) Revenue	21131169
(3028) Operating Expenses	13644177
(3029) Net Income	7486992
(3030) Telephone Plant In Service(TPIS)	100667038
(3031) Total Assets	70332332
(3032) Total Debt	0
(3033) Total Equity	63560894
(3034) Dividends	418106





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Phone (530) 467-6000 • Fax (530) 467-6401

FCC Form 481  
Line 3010

Please see attachment in line item 112. Siskiyou Telephone Company hereby certifies that it has taken reasonable steps to provide broadband service at actual speeds of 10 Mbps downstream and 1 Mbps upstream with latency suitable for real time applications including Voice Over Internet Protocol, and usage capacity that is reasonably comparable to offerings in urban areas, and that requests for such service are met within a reasonable amount of time.



Report of Independent Auditors  
and Consolidated Financial Statements

The Siskiyou Telephone Company  
and Subsidiary

December 31, 2015 and 2014



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## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors  
The Siskiyou Telephone Company

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of The Siskiyou Telephone Company and its Subsidiary (the Company), which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of income and retained earnings and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Siskiyou Telephone Company and its Subsidiary as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Moss Adams LLP

Stockton, California  
April 22, 2016





## **CONSOLIDATED BALANCE SHEETS**

**THE SISKIYOU TELEPHONE COMPANY AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**

**ASSETS**

	DECEMBER 31,	
	2015	2014
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 6,398,455	\$ 3,844,891
Telecommunications accounts receivable	314,017	292,710
Other accounts receivable	2,113,542	1,591,735
Accounts receivable – affiliated companies	1,885	7,013
Materials and supplies	1,368,708	1,362,419
Other prepayments	140,158	173,142
Deferred income taxes	314,204	296,316
<b>Total current assets</b>	<b>10,650,969</b>	<b>7,568,226</b>
<b>NONCURRENT ASSET</b>		
Investment	106,705	102,492
<b>PROPERTY, PLANT, AND EQUIPMENT</b>		
Telecommunications plant in service	100,667,038	96,825,405
Plant under construction	1,058,417	1,260,346
Nonregulated plant in service	831,226	830,953
	102,556,681	98,916,704
Less accumulated depreciation	42,982,023	40,089,410
<b>Net property, plant, and equipment</b>	<b>59,574,658</b>	<b>58,827,294</b>
	<b>\$ 70,332,332</b>	<b>\$ 66,498,012</b>

**THE SISKIYOU TELEPHONE COMPANY AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**

---

**LIABILITIES AND STOCKHOLDER'S EQUITY**

	DECEMBER 31,	
	2015	2014
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 686,646	\$ 537,010
Accrued employee absences	183,090	189,512
Income taxes payable	277,922	467,763
	<u>1,147,658</u>	<u>1,194,285</u>
<b>OTHER LIABILITIES</b>		
Deferred income taxes	<u>5,623,780</u>	<u>5,348,896</u>
<b>STOCKHOLDER'S EQUITY</b>		
Preferred stock, Class "A" authorized 39,400 shares, \$50 par value:		
Issued and outstanding 8,360 shares	-	418,000
Common stock, authorized 2,000 shares, \$5 par value:		
Issued and outstanding 2,000 shares	10,000	10,000
Additional paid-in capital	10,906,957	10,906,957
Retained earnings	<u>52,643,937</u>	<u>48,619,874</u>
	<u>63,560,894</u>	<u>59,954,831</u>
<b>Total stockholder's equity</b>	<u>\$ 70,332,332</u>	<u>\$ 66,498,012</u>

**THE SISKIYOU TELEPHONE COMPANY AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS**

	YEARS ENDED DECEMBER 31,	
	2015	2014
<b>OPERATING REVENUES</b>		
Local network services	\$ 1,084,231	\$ 1,093,854
Interstate access services	5,111,680	3,923,302
State access services	495,926	580,887
Federal universal and state high cost fund support	12,671,149	12,706,050
Nonregulated services	1,574,410	1,548,368
Miscellaneous	198,079	187,334
Uncollectibles	(4,306)	(15,998)
Total operating revenues	21,131,169	20,023,797
<b>OPERATING EXPENSES</b>		
Plant specific operations	2,655,940	2,493,520
Plant nonspecific operations	1,206,695	1,244,368
Customer operations	869,689	834,857
Corporate operations	2,135,204	2,085,432
Depreciation	4,791,113	4,504,347
Nonregulated operations	1,387,603	1,440,619
Property and other taxes	597,933	569,778
Total operating expenses	13,644,177	13,172,921
<b>OPERATING INCOME</b>	7,486,992	6,850,876
<b>OTHER INCOME (EXPENSE)</b>		
Interest and dividend income	11,835	14,879
Nonoperating expense, net	(110,178)	(44,075)
Total other income (expense)	(98,343)	(29,196)
<b>INCOME BEFORE INCOME TAXES</b>	7,388,649	6,821,680
Provision for income taxes	2,946,480	2,715,154
<b>NET INCOME</b>	4,442,169	4,106,526
<b>RETAINED EARNINGS, beginning of year</b>	48,619,874	48,997,427
Redemption of preferred stock	(25,080)	-
Dividends on preferred stock	(18,026)	(24,035)
Dividends on common stock	(375,000)	(4,394,715)
Other	-	(65,329)
<b>RETAINED EARNINGS, end of year</b>	\$ 52,643,937	\$ 48,619,874

## **CONSOLIDATED STATEMENTS OF CASH FLOWS**

**THE SISKIYOU TELEPHONE COMPANY AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	YEARS ENDED DECEMBER 31,	
	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers and settlements	\$ 20,473,664	\$ 19,808,946
Cash paid to vendors, suppliers, and employees	(8,549,437)	(8,794,634)
Interest and dividends received	11,835	14,879
Income taxes paid	(2,879,325)	(2,017,614)
Net cash from operating activities	9,056,737	9,011,577
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Accounts receivable – affiliated companies, net	5,128	47,688
Construction and acquisition of plant	(5,973,708)	(8,268,468)
Salvage, net of cost of removal	301,513	342,801
Net cash from investing activities	(5,667,067)	(7,877,979)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(393,026)	(4,418,750)
Redemption of preferred stock	(443,080)	-
Other	-	(65,329)
Net cash from financing activities	(836,106)	(4,484,079)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	2,553,564	(3,350,481)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	3,844,891	7,195,372
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 6,398,455	\$ 3,844,891

**THE SISKIYOU TELEPHONE COMPANY AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	YEARS ENDED DECEMBER 31,	
	2015	2014
RECONCILIATION OF NET INCOME TO NET CASH FROM OPERATING ACTIVITIES		
NET INCOME	\$ 4,442,169	\$ 4,106,526
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	4,924,831	4,504,347
Deferred income taxes	256,996	273,561
Affiliate investment consolidating adjustment	-	92,268
Noncash patronage dividends	(4,213)	(4,176)
Increase (decrease) in cash due to changes in assets and liabilities:		
Telecommunications accounts receivable	(21,307)	(8,799)
Other accounts receivable	(521,807)	(250,069)
Materials and supplies	(6,289)	(175,653)
Other prepayments	32,984	100,979
Accounts payable	149,636	(55,240)
Accrued employee absences	(6,422)	3,854
Prepaid/accrued income taxes payable	(189,841)	423,979
Total adjustments	4,614,568	4,905,051
NET CASH FROM OPERATING ACTIVITIES	\$ 9,056,737	\$ 9,011,577



## **THE SISKIYOU TELEPHONE COMPANY AND SUBSIDIARY**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

---

#### **NOTE 1 – DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of operations** – The Siskiyou Telephone Company (the Company) is a wholly-owned subsidiary of Siskiyou Communications, Inc. The Company provides telephone service in its franchised territory of Siskiyou and Humboldt Counties and is subject to the Rules and Regulations of the California Public Utilities Commission (CPUC) and the Federal Communications Commission (FCC).

Golden Bear Broadband, LLC (GBB) is a competitive local exchange carrier and a wholly-owned subsidiary of the Company, which currently has minimal activity.

**Accounting policies** – The consolidated financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to regulated public utilities. The accounting records of the Company are maintained in accordance with the uniform system of accounts prescribed by the FCC and adopted by the CPUC. Such accounting principles are consistent in all material respects with accounting prescribed by the FCC.

**Consolidation policy** – The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. All material intercompany transactions and balances have been eliminated in consolidation.

**Accounting estimates** – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include depreciation expense, deferred income tax expense, and interstate access revenue settlements.

**Cash and cash equivalents** – For purposes of the statement of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**Accounts receivable valuation** – Accounts receivable are stated at the amount management expects to collect on outstanding balances. The Company reviews the collectibility of accounts receivable annually based on an analysis of outstanding receivables, historical collection information, and existing economic conditions. Receivables from subscribers and carriers are due 30 days after issuance of the bill. Delinquent accounts are charged to uncollectible expense when it is determined that the account will not be collected. Recoveries of previously charged off accounts are recorded when received. Due to the immaterial nature of the Company's uncollectible accounts, an allowance for uncollectible accounts is not deemed necessary, and the result of this method does not materially differ from accounting principles generally accepted in the United States of America.

**Materials and supplies** – Materials and supplies inventory consist of construction materials and other equipment, which are valued at the lower of average cost or market.

## **THE SISKIYOU TELEPHONE COMPANY AND SUBSIDIARY**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

---

#### **NOTE 1 – DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investment** – The Company has an investment in the National Rural Telephone Cooperative (NRTC), which consists of patronage credits and shares of common stock. The investment in NRTC is valued at cost as it does not have a readily determinable market value.

**Property, plant, and equipment** – Property, plant, and equipment are stated at original cost. Regulated plant includes assets that are jointly used for regulated and nonregulated activities. The cost of additions and substantial betterments of property, plant, and equipment is capitalized. The cost of maintenance and repairs is charged to operating expenses.

In accordance with composite group depreciation methodology, when a portion of the Company's regulated depreciable property, plant, and equipment is retired in the ordinary course of business, the gross book value is charged to accumulated depreciation.

Depreciation of the Company's nonregulated plant is provided by the straight-line method over the estimated useful lives of the assets. Upon retirement, sale, or other disposition of nonregulated investments, the cost and related accumulated depreciation are removed from the related accounts and the resulting gains or losses are included in operations.

**Revenue recognition** – Monthly service plan revenues derived from local service and internet are billed one month in advance, but recognized in the month that service is provided. Usage-sensitive revenues such as access (revenues earned from originating/terminating long distance calls) are generally billed as a per minute charge. Although these revenues are billed in arrears, they are recognized in the month the service is provided.

Interstate access revenues also include settlements based on the Company's participation in the revenue pools administered by the National Exchange Carrier Association (NECA). Settlement revenues are determined by annually prepared separations and interstate access cost studies. These studies are prepared subsequent to year end and, therefore, the related revenues are recorded on the books based on an estimate of the Company's costs, NECA pool earnings and on other assumptions related to the information utilized in the preparation of the Company's cost study. The studies are subject to a 24-month pool earnings adjustment period and a final review and acceptance by NECA. There were insignificant revenue impacts in 2015 and 2014 for adjustments related to prior year differences between the recorded estimates and actual revenues. Management does not anticipate that 2015 and 2014 recorded revenues will require significant adjustments in future years.

## THE SISKIYOU TELEPHONE COMPANY AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

---

#### NOTE 1 – DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Revenue recognition (continued)** – The Company's wireline universal service support revenue is intended to compensate the Company for the high cost of providing rural telephone service. Universal service support revenues include funds received for the high cost loop support (HLCS), interstate common line support (ILCS), Connect America Fund (CAF), and other miscellaneous programs. High cost loop support and interstate common line support are based on the Company's relative level of operating expense and plant investments. Support from the CAF is based on a historical frozen amount related to 2011 investments and expenses associated with the switching function and certain 2011 intrastate access revenues, which together make up the CAF base. The CAF base will be reduced by 5% each year in determining CAF support.

**Regulation** – The Company's services are subject to rate regulation as follows:

- Local telephone and intrastate access revenues are regulated by the CPUC. The FCC also has assumed preemptive authority to regulated intrastate telecommunications services, including intrastate access rates.
- Interstate access revenues are regulated by the FCC through its regulation of rates and settlements procedures as administered by NECA.
- Federal universal service revenues are administered by the Universal Service Administrative Company (USAC) based on rules established by the FCC.
- State High Cost Fund revenues are administered by the CPUC based on rules established by the state of California. The California High Cost Fund-A (CHCF-A) support is subject to renewal every four years by the California legislature. Legislation to extend the CHCF-A program to January 1, 2019 was adopted in September 2014.

In October 2015, the Company submitted a general rate case to the CPUC for approval of rates for 2017. As of December 31, 2015, the general rate case submitted was in the review stages and not yet approved. The approval of the rate case enables to Company to earn an authorized intrastate rate and draw CHCF-A support.

On March 30, 2016, the FCC issued a Report and Order, Order on Reconsideration, and Further Notice on Proposed Rulemaking. The proposed order creates two paths for USF support, reduces the allowable rate of return, contains broadband deployment milestones, and limitations on operating expenses and capital expenditures. Management is monitoring the impacts of any reform on an on-going basis.

Pending and future regulatory actions may have a significant impact on the Company's future operations and financial condition.

## THE SISKIYOU TELEPHONE COMPANY AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

---

#### NOTE 1 – DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Regulation (continued)** – Nonregulated services consist of internet services and other incidental nonregulated revenues. Miscellaneous includes revenues from directory, billing and collection, rents, and other incidental services.

Nonregulated expenses and nonregulated plant are directly attributable to nonregulated services. Operating expenses and telecommunications plant are related primarily to regulated revenues. However, some of these costs jointly relate to regulated and nonregulated services. For settlement, universal service support, rate case, and other regulatory purposes, the portion of these common costs related to nonregulated activities are removed from these accounts in accordance with Part 64 of the FCC rules in order to ensure that regulated revenues are based on costs of providing regulated services.

**Income taxes** – Deferred income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the financial statement and tax basis of assets and liabilities at the applicable enacted tax rates. A valuation allowance is provided when it is more likely than not that some or all of its deferred tax assets will not be realized. The Company evaluates the realizability of its deferred tax assets by assessing its valuation allowance and by adjusting the amount of such allowance, if necessary.

The Company records uncertain tax positions if the likelihood that the position will be sustained upon examination is less than 50%. As of December 31, 2015 and 2014, the Company had no accrued amounts related to uncertain tax positions.

**Taxes imposed by governmental authorities** – The Company's customers are subject to taxes assessed by various governmental authorities on many different types of revenue transactions with the Company. These specific taxes are charged to and collected from the Company's customers and subsequently remitted to the appropriate taxing authority. The taxes are accounted for on a net basis and excluded from revenues.

**Concentrations of risk** – At various times throughout the year, the cash balances on deposit with financial institutions exceeded federally insured limits. A possible loss exists for those amounts in excess of \$250,000. The Company minimizes this risk by utilizing numerous financial institutions for deposits of cash funds.

In 2015, the Company received \$10,647,914 from the Federal Universal Service Fund and \$2,023,235 from the CHCF-A. In 2014, the Company received \$10,383,462 from the Federal Universal Service Fund and \$2,322,588 from the CHCF-A. These amounts represent 60% and 63% of the Company's operating revenues for 2015 and 2014, respectively.

## THE SISKIYOU TELEPHONE COMPANY AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

---

#### NOTE 1 – DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Subsequent events** – Subsequent events are events or transactions that occur after the balance sheet date, but before consolidated financial statements are available to be issued. The Company recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the consolidated financial statements. The Company's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet, but arose after the balance sheet date and before the consolidated financial statements are available to be issued.

The Company has evaluated subsequent events through April 22, 2016, which is the date the consolidated financial statements are available to be issued.

#### NOTE 2 – OTHER ACCOUNTS RECEIVABLE

Other accounts receivable at December 31 consist of the following:

	2015	2014
AT&T Communications	\$ 668,344	\$ 402,447
NECA	882,924	735,188
California High Cost Fund	337,206	193,549
Other	225,068	260,551
	<u>\$ 2,113,542</u>	<u>\$ 1,591,735</u>

# THE SISKIYOU TELEPHONE COMPANY AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3 – PROPERTY, PLANT, AND EQUIPMENT

Major classes of property, plant, and equipment are comprised of the following at December 31:

	Depreciable Life in Years	Plant Account	Accumulated Depreciation	2015 Net Balance	2014 Net Balance
Regulated plant in service:					
Land	n/a	\$ 390,536	\$ -	\$ 390,536	\$ 390,536
General support	5 to 56	10,954,559	7,675,463	3,279,096	3,015,138
Central office	7 to 10	11,282,194	6,852,632	4,429,562	4,746,919
Cable and wire facilities	17 to 60	78,039,749	27,978,782	50,060,967	48,924,830
		100,667,038	42,506,877	58,160,161	57,077,423
Regulated plant under construction	n/a	1,058,417	-	1,058,417	1,260,346
Nonregulated plant in service	6 to 14	831,226	475,146	356,080	489,525
		<u>\$ 102,556,681</u>	<u>\$ 42,982,023</u>	<u>\$ 59,574,658</u>	<u>\$ 58,827,294</u>

### NOTE 4 – EMPLOYEE BENEFITS

Pension benefits for substantially all employees of the Company are provided through the National Telephone Cooperative Association (NTCA) Retirement and Security Program and Savings Program (the Plans). The Retirement and Security Program is a defined benefit pension plan and the Savings Program is a defined contribution plan. The Plans are exempt from federal income taxes under the Internal Revenue Code. Quarterly contributions are made to the Retirement and Security Program and annual contributions to the Savings Program equal to amounts accrued for pension expense. The Retirement and Security Program is a master multi-employer plan, which is available to all members of NTCA. The accumulated benefits and plan assets are not determined or allocated separately by individual employer.

The Company makes contributions to the Plans based on each employee's compensation. The employer contributions for 2015 and 2014 were \$464,677 and \$496,662, respectively.

# THE SISKIYOU TELEPHONE COMPANY AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 4 – EMPLOYEE BENEFITS (CONTINUED)

The pension plan name is *Retirement & Security Program for Employees of the National Telecommunications Cooperative Association and Its Member Systems*. The Plan Employer Identification Number is 52-0741336/333. The information below is from the Plan's most recent Form 5500 filing which covers the plan years 2014 and 2013. At the date the consolidated financial statements were issued, Form 5500 was not available for the year ending 2015.

Pension Protection Act Zone Status		Cooperative Contributions Greater than 5% of Total Plan Contributions	Funding Improvement/ Rehabilitation Plan in Place	Surcharges Imposed	Expiration Date of Collective Bargaining Agreements	Minimum Contributions Required in the Future
2014	2013					
At least 80% funded	At least 80% funded	No	No	Yes	N/A	No

The risks of participating in multiemployer plans are different from single employer plans as follows: (1) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (2) if a participating employer stops contributing to the Plan, the unfunded obligations of the Plan may be borne by the remaining participating employers, and (3) if the Company chooses to stop participating in a Plan, the Company may be required to pay a withdrawal liability.

### NOTE 5 – COMMON STOCK AND RETAINED EARNINGS

Each share of 5.75% cumulative Class "A" preferred stock has ten votes and has preference over common stock to the extent of dividends in arrears. The Class "A" preferred stock is subject to optional redemption at \$53 per share. In 2015, the Company paid \$443,080 to redeem all 8,360 shares of issued and outstanding preferred stock. The \$25,080 difference between the amount paid and the preferred stock balance of \$418,000 reduced retained earnings.

**THE SISKIYOU TELEPHONE COMPANY AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

---

**NOTE 6 – INCOME TAXES**

The provision for income taxes is as follows for the year ended December 31:

	<u>2015</u>	<u>2014</u>
Current expense:		
Federal	\$ 2,043,803	\$ 1,857,658
State	645,681	583,935
Deferred expense:		
Federal	256,298	273,903
State	<u>698</u>	<u>(342)</u>
	<u><u>\$ 2,946,480</u></u>	<u><u>\$ 2,715,154</u></u>

The Company computes and records federal income and California franchise taxes on a separate return basis, but files a consolidated tax return with its parent, Siskiyou Communications, Inc.

The Company's effective income tax rate varies from the current federal tax rate primarily because of state franchise tax, net of federal, nondeductible expenses and tax-exempt income.

The components of the net deferred tax assets (liabilities) at December 31 consist of the following:

	<u>2015</u>	<u>2014</u>
Deferred tax liabilities:		
Property – accelerated depreciation	<u>\$ (5,623,780)</u>	<u>\$ (5,348,896)</u>
Deferred tax assets:		
Federal deferral of state franchise tax	223,380	202,849
Other	<u>90,824</u>	<u>93,467</u>
Total deferred tax assets	<u>314,204</u>	<u>296,316</u>
Net deferred tax liabilities	<u><u>\$ (5,309,576)</u></u>	<u><u>\$ (5,052,580)</u></u>



## **THE SISKIYOU TELEPHONE COMPANY AND SUBSIDIARY**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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#### **NOTE 7 – RELATED PARTY TRANSACTIONS**

The Company provides various services to its affiliates: Siskiyou Communications, Inc., Siskiyou Long Distance Company, and Golden Bear Broadband, LLC. The Company bills each affiliate monthly for payroll, overheads, insurance, materials transfers, miscellaneous expenditures, and various other shared services. Amounts billed for the 12 months ended December 31, 2015 and 2014 were \$44,589 and \$53,107, respectively. Amounts due from these billings are shown on the balance sheet as accounts receivable – affiliated companies.

Siskiyou Communications, Inc., the parent company of The Siskiyou Telephone Company, pays income taxes for all of its affiliates during the year and is subsequently reimbursed by each company.

<010>	Study Area Code	542339
<015>	Study Area Name	THE SISKIYOU TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Amber Stewart
<035>	Contact Telephone Number - Number of person identified in data line <030>	5304476154 ext
<039>	Contact Email Address - Email Address of person identified in data line <030>	A.Stewart@siskiyoutelephone.com

**4005 Rural Broadband Experiment**

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

**Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)**

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

**4001.** Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

**Community Anchor Institutions – FCC 14-98 (paragraph 79)**

**4003a.** RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

**4003b.** Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required Information \_\_\_\_\_

**Broadband Deployment Locations – FCC 14-98 (paragraph 80)**

**4004a.** Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

Name of Attached Document Listing Required Information \_\_\_\_\_

**4004b.** Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Name of Attached Document Listing Required Information \_\_\_\_\_

<b>Certification - Reporting Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	542339
<015> Study Area Name	THE SISKIYOU TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Amber Stewart
<035> Contact Telephone Number - Number of person identified in data line <030>	5304676154 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	a.stewart@siskiyoutelephone.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: THE SISKIYOU TEL CO	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier: 542339	Filing Due Date for this form: 07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010> Study Area Code	542339
<015> Study Area Name	THE SISKIYOU TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Amber Stewart
<035> Contact Telephone Number - Number of person identified in data line <030>	5304676154 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	a.stewart@siskiyoutelephone.com

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent Firm: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Name of Authorized Agent Employee: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

1/1/2016
20.25

	Residential Local Service Charge Effective Date	Single State-wide Residential Local Service Charge
<701>		
<702>		

<703>

[illegible]

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	542339
<015>	Study Area Name	THE SISKIYOU TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Amber Stewart
<035>	Contact Telephone Number - Number of person identified in data line <030>	5304676154 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	a.stewart@siskiyoutelephone.com

[illegible]

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

[illegible]